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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: 30 April 1976

SUBJECT: Minister of Defense Brigadier Mayor (Major General), Retired,
Jose Maria Klix

PARTICIPANTS: Ambassador Robert C. Hill
Brig Mayor (Ret) Jose Maria Klix, Minister of Defense
Col Paul A. Coughlin, USA, DATT/ARMA
Col Emmett A. Niblack, USAF, AIRA
Capt James B. Rodgers, USN, ALUSNA
Col Albert L. Russell, USA, Cdr, USMILGP
Capt Francisco Velasquez-Suarez, USN, USMILGP
Col Frederic Smith, III, USAF, USMILGP

File

COPIES TO: Ambassador ✓
DCM
USMILGP/Col Russell
STATE, ARA/APU

1. Ambassador Hill and his party were greeted by the Minister of Defense in his office at 1100 hours. No other Argentine officials participated in the meeting. The Minister was cordial and appeared very relaxed and confident. The purpose of the meeting was the Ambassador's initial protocol call on the new Minister.

2. The Minister of Defense was already personally acquainted with the Ambassador and some of the military officers in his party and was introduced to the others. He remarked that it was his intention to make more use of the military missions. To initiate the meeting, the Ambassador asked Captain Rodgers to review briefly the plans for the UNITAS Exercise planned for August and September. Then, continuing in the military vein, the Ambassador asked the Military Group to inform the Minister of the current status of the U.S. Security Assistance Program. Col Russell and Capt Velasquez-Suarez provided the information pointing out that the MAP-Training Program for Argentina has been temporarily suspended since last January. The Ambassador added that the United States World-wide Security Assistance Program was undergoing major changes, but that none of the changes were directed specifically at Argentina. Brigadier Klix responded that he was aware that the changes were global and not intended to discriminate against Argentina.

DAO: PACoughlin:eb
(Drafting Office and Officer)

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Coordination:
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DCM (in draft)
POL (in draft)
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ECON (in draft)

3. The Minister then disclosed that while US-Argentine cooperation in defense matters is of great importance, the Argentine Government looks upon renewal of their commercial and economic relations with the U.S. as the most pressing matter at this time. He pointed out that for many years the Argentine public has been erroneously led to believe that foreign investment is synonymous with foreign exploitation. The government now has the priority task of waging an informational campaign to show Argentines that foreign investment is a good thing for the country and can be harnessed, along with internal investment, with adequate controls to achieve more rapid economic development. To this, Ambassador Hill responded that there are already indications that attitudes in the U.S. are changing with regard to investment in Argentina. In fact, he had recently received word that two large U.S. corporations, which previously had indicated they would pull out of Argentina, now want to stay. The Ambassador went on to mention President Ford's recent decision not to impose tariffs on the importation of Argentine shoes to the U.S. and also pointed out that efforts are underway to determine ways to achieve a more equitable balance of trade between Argentina and the U.S. Finally, Ambassador Hill assured the Minister that U.S. corporations now view their foreign investments quite differently than they did in the 1950's in that they are prepared to operate under the laws and controls set down by Argentina working hand-in-hand with local capital to achieve mutual benefits.

4. Ambassador Hill then mentioned that several senior Argentine officials plan to travel to the United States in the near future and inquired if the Minister had any plans for such a visit. Brigadier Klix replied that he had no current plans for such a trip, but expressed interest and stated that he would discuss the matter with the President at the appropriate time. Ambassador Hill then offered to assist in arranging such a trip should the Argentine Government decide that it would be beneficial.

5. In closing, the Ambassador assured the Minister that the U.S. military in Argentina should not be regarded merely as attaches and advisors, but as true friends and the Minister should feel free to call on them for assistance. Brigadier Klix thanked the Ambassador for his visit in the name of the Junta and expressed confidence that our relations would continue to be on a most friendly basis.